

***OFFICE OF THE UNITED STATES
ATTORNEY
SOUTHERN DISTRICT OF CALIFORNIA
San Diego, California***

***United States Attorney
Laura E. Duffy***

Assistant U.S. Attorneys Emily W. Allen (619) 546-9738 and Sean P.J. Coyle (619) 546-6771

For Immediate Release

**WOMAN GUILTY OF OBSTRUCTING INVESTIGATION
OF \$1.8 MILLION FRAUD AGAINST FAILED LA JOLLA BANK**

Former San Diego Resident Destroyed Evidence and Covered Up Fraud

NEWS RELEASE SUMMARY – May 1, 2014

United States Attorney Laura E. Duffy announced today that former San Diego resident Laura Ortuondo pleaded guilty before Magistrate Judge William V. Gallo to one count of making false statements to federal agents concerning her role in a nearly five-year cover-up of a scheme to defraud La Jolla Bank in connection with a \$1.8 million Small Business Administration (“SBA”) loan that her former boss sought from the bank.

According to court records, in 2008, Ortuondo worked for a local small business owner named Annand Sliuman (who previously pleaded guilty in a separate case). In her role as Sliuman’s assistant, Ortuondo, among other things, helped Sliuman manage loans and loan applications with La Jolla Bank. In May 2008, Ortuondo assisted Sliuman in fraudulently obtaining a \$1.8 million loan from La Jolla Bank by knowingly submitting two fraudulent tax forms to the bank on Sliuman’s behalf, which falsely stated that Sliuman had satisfied certain tax liabilities. Sliuman and Ortuondo submitted the fraudulent records to the bank in order to make it appear that he was eligible for the SBA loan from the bank. La Jolla Bank was a San Diego County-based bank and a member of the Federal Home Loan Bank of San Francisco (“FHLB”). La Jolla Bank failed in 2010 and was taken over by the Federal Deposit Insurance Corporation

("FDIC") after the bank ran up a debt of approximately \$1 billion, including approximately \$700 million in outstanding advances from the FHLB.

According to court records, after assisting Sliuman in defrauding La Jolla Bank, Ortuondo then undertook a nearly five-year long effort to thwart federal agents' investigation of the fraud. The cover-up began in October 2008, when Ortuondo lied to investigators and claimed that she was unaware that she had submitted false documents to the bank. Then, shortly after lying about her knowledge of the fraud, Ortuondo assisted Sliuman in destroying Ortuondo's personal laptop, knowing that it contained incriminating evidence of their fraud against the bank. To make matters worse, Ortuondo also convinced her husband at the time to lie to federal agents and a federal grand jury on her behalf, claiming – falsely – that he had destroyed her laptop.

In November 2011, federal agents interviewed Ortuondo again regarding her role in the fraudulent procurement of Sliuman's loan from La Jolla Bank. Again, Ortuondo lied about her role in the fraud and the cover-up, falsely denying that she knowingly submitted fraudulent tax forms to the bank and falsely claiming that her ex-husband destroyed her laptop. In today's guilty plea, Ortuondo admitted to making these false statements to federal agents with the intent to obstruct the federal investigation of the La Jolla Bank fraud.

"My office will not tolerate lies and deceit intended to obstruct our system of justice," said U.S. Attorney Laura Duffy. "As this case illustrates, no matter how long it takes, we will not rest until the truth sees the light of day. I want to thank our agency partners for their dogged commitment to seeing this investigation through."

"Lies and deceit will not earn you entry into SBA's small business lending program," said SBA Inspector General Peggy E. Gustafson. "Together with our law enforcement partners, the OIG will continue to ensure those who commit fraud are brought to justice. We would like to thank the U.S. Attorney's Office for its dedicated leadership and professionalism throughout this investigation."

Treasury Inspector General for Tax Administration Special Agent in Charge Rod Ammari stated, "Individuals that use fraudulently created IRS documents to further their schemes and then actively obstruct the Government's investigation will be investigated to the fullest extent. This investigation is a great example of collaboration by all agencies involved to hold the perpetrators of this scheme responsible for their actions."

Daphne Hearn, FBI Special Agent in Charge, San Diego Field Office, commented, "Fraudulent schemes like this undermine our country's economy and ultimately leave American taxpayers on the hook. The FBI will continue to work with our law enforcement partners to protect our precious tax dollars from waste, fraud and abuse."

Michael P. Stephens, Acting Inspector General of the Federal Housing Finance Agency, said: "All individuals who engage in fraudulent behavior, whether they are the ring leader or an assistant, will be held accountable for their actions. We are proud to have worked with our law enforcement partners on this case and are again pleased to see justice served."

Matthew Alessandrino, FDIC Assistant Inspector General for Investigations, stated, “The FDIC Office of Inspector General is pleased to have joined the Department of Justice and our law enforcement colleagues in conducting this investigation. We are firmly committed to joint efforts such as this one in the interest of ensuring integrity in the banking system and helping to prevent losses to the Deposit Insurance Fund.”

Ortuondo is scheduled to be sentenced by Judge Anthony J. Battaglia on July 25, 2014 at 9 a.m. Her guilty plea is pending final acceptance by Judge Battaglia. Sliuman previously pleaded guilty in a separate case to bribing an officer of La Jolla Bank in exchange for the officer approving loans on his behalf, and admitted his role in the fraud and obstruction of justice conspiracy with Ortuondo. Sliuman is scheduled to be sentenced by Judge Battaglia in his case on September 26, 2014.

DEFENDANT Case Number: 13CR3879-AJB

Laura Ortuondo Age: 33 Cupertino, CA

SUMMARY OF CHARGES

False Statement to a Federal Agent, in violation of Title 18, United States Code, Section 1001
Maximum penalties: 5 years’ imprisonment, \$250,000 fine.

DEFENDANT Case Number: 13CR3673-AJB

Annand Sliuman Age: 33 Spring Valley, CA

SUMMARY OF CHARGES

Bank bribery, in violation of Title 18, United States Code, Section 215(a)(1)
Maximum penalties: 30 years’ imprisonment, \$1,000,000 fine

INVESTIGATING AGENCIES

Small Business Administration – Office of the Inspector General
Department of Treasury – Inspector General for Tax Administration
Federal Bureau of Investigation
Federal Housing Finance Agency – Office of Inspector General
Federal Deposit Insurance Corporation – Office of Inspector General